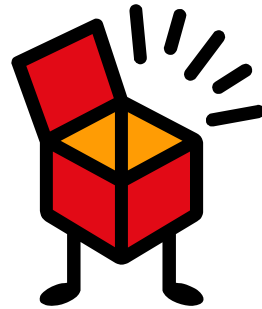


Financial Highlights

Fiscal 2009 Third-Quarter
(Three Months ended Dec.31,2009)



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Notes: "△" signs ahead of figures mean "minus".

3Q FY09 (Oct.-Dec. 2009)

■ Net Sales and Operating Income

Net sales ¥112.9 billion (110% of 2Q FY09) Operating income ¥7.1 billion (+¥6.1 billion from 2Q FY09)
Both sales and income were steady, buoyed by the effect of sales volume and increased operations.

■ Demand Trends

Electronics-related product demand was steady on the back of continued robust demand for LCDs and semiconductors. The automobile-related field showed distinct recovery through to the latter half of 3Q, both domestically and overseas, and on a volume basis demand trended upward.

In the industrial infrastructure field, certain products for FA entered a recovery trend, despite lingering effects from cutbacks in capital investment.

■ Net Sales and Operating Income by Segment

High-Grade Metal Products and Materials:

Net sales ¥50.6 billion (108% of 2Q FY09) Operating income ¥3.9 billion (+¥3.9 billion from 2Q FY09)

Electronics and IT Devices:

Net sales ¥27.1 billion (112% of 2Q FY09) Operating income ¥2.9 billion (+¥2.1 billion from 2Q FY09)

High-Grade Functional Components and Equipment:

Net sales ¥38.0 billion (113% of 2Q FY09) Operating income ¥2.5 billion (+¥1.6 billion from 2Q FY09)

Outlook for FY09

Both automobile and electronics-related markets are expected to remain steady, while Hitachi Metals sees inventory corrections for tool steels and certain other products completed toward the end of the fiscal year. For the most part, current trends are expected to remain unchanged, although lagging capital investment-related demand will have an impact. Given this, presentation of the outlook for the fiscal year in both net sales and income has been deferred.

Highlights

¥ 100 million

	Fiscal 2007				Fiscal 2008				Fiscal 2009			
	FY07 1Q (Actual)	FY07 2Q (Actual)	FY07 3Q (Actual)	FY07 (Actual)	FY08 1Q (Actual)	FY08 2Q (Actual)	FY08 3Q (Actual)	FY08 (Actual)	FY09 1Q (Actual)	FY09 2Q (Actual)	FY09 3Q (Actual)	FY09 (Est.)
Net Sales	1,724	1,739	1,811	7,011	1,756	1,781	1,430	5,907	925	1,028	1,129 110% of 2Q FY08	4,400 74% of FY08
Operating Income	125	141	176	597	154	143	32	151	Δ45	10	71 +62 from 2Q FY09	100 Δ51 from FY08
Income before income taxes	171	73	176	514	174	123	Δ46	Δ2	Δ56	Δ31	61 +92 from 2Q FY09	25 +27 from FY08
Net Income	86	40	98	270	87	66	Δ57	Δ30	Δ37	Δ20	28 +48 from 2Q FY09	10 +40 from FY08
Capital investment	156	102	97	493	82	115	110	438	52	34	32 Δ2 from 2Q FY09	198 Δ240 from FY08
Depreciation costs	73	67	79	294	75	78	81	318	74	75	78 +3 from 2Q FY09	307 Δ11 from FY08
Research & Development Expenses	31	36	32	133	33	34	31	131	24	26	27 +1 from 2Q FY09	108 Δ23 from FY08

FY09 3Q Consolidated Net Sales - Operating Income (By Segment)

Net Sales ¥112.9 billion 110% of 2Q FY09 (79% of 3Q FY08)

High-Grade Metal Products and Materials	¥50.6 billion, 108% of 2Q FY09 (77% of 3Q FY08)
Electronics and IT Devices	¥27.1 billion, 112% of 2Q FY09 (82% of 3Q FY08)
High-Grade Functional Components and Equipment	¥38.0 billion, 113% of 2Q FY09 (82% of 3Q FY08)

High-Grade Metal Products and Materials

Specialty steel alloys for electronic products continued to see robust sales for both semiconductors and LCD use. Tool steels saw recovery, primarily for automobiles, and are expected to remain steady in 4Q. Demand for rolls continued to decline due to the impact of inventory corrections, but it is expected to recover from 4Q.

Electronics and IT Devices

Permanent magnet sales were firm in the PC and household appliance sector, while sales related to environmental countermeasures, primarily of EPS for automobiles, held steady. FA-related sales appeared to slightly improve. Sales of information systems components fell short of plans due to the impact of the strong yen. Sales of amorphous metals (soft magnetic materials), fell as demand from the Chinese market came to a standstill.

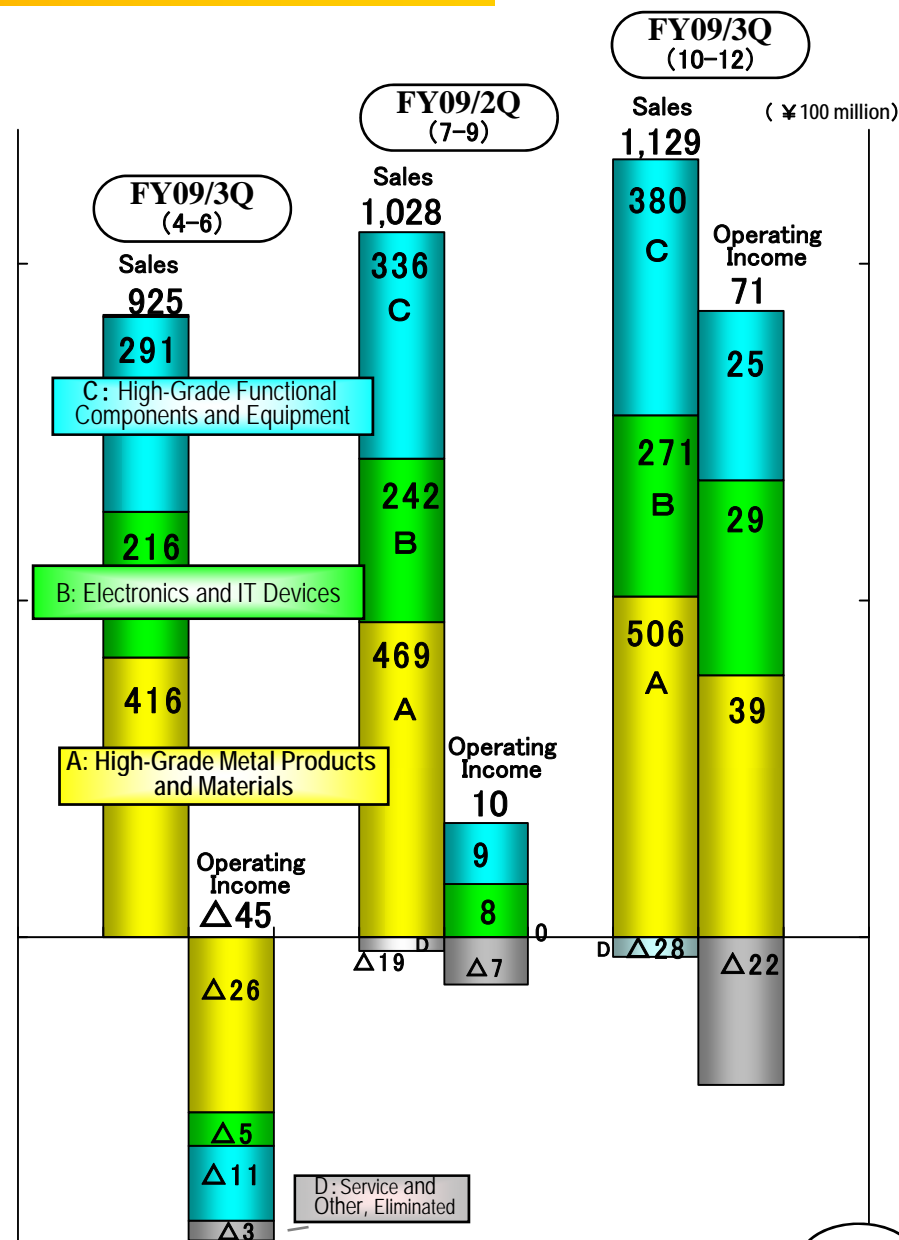
High-Grade Functional Components and Equipment

In casting components for automobiles, sales of ductile iron products were robust, primarily in the United States, and production volume in Japan, the United States and South Korea was headed for a level that would surpass forecasts. Sales of HERCUNITE® trended upward, mainly in Europe. Sales of aluminum wheels continued to be robust in both Japan and the United States, and are expected to remain firm. Demand for piping components continues to slump due to the effects of cutbacks in capital investment.

Operating income ¥7.1 billion +¥6.1 billion from 2Q FY09 (+¥3.9 billion YoY)

High-Grade Metal Products and Materials	¥3.9 billion, +¥3.9 billion from 2Q FY09 (+¥3.5 billion YoY)
Electronics and IT Devices	¥2.9 billion, +¥2.1 billion from 2Q FY09 (+¥0.8 billion YoY)
High-Grade Functional Components and Equipment	¥2.5 billion, +¥1.6 billion from 2Q FY09 (+¥0.8 billion YoY)

In addition to the electronics sector, recovery became distinct in the automobile-related field. The effect of sales volume and increased operations led to an improvement of ¥6.1 billion compared to 2Q FY09.



FY09 Consolidated Net Sales · Operating Income Estimates (By Segment)

Net Sales ¥440.0 billion 74% of FY08 (Forecast deferred)
Operating Income ¥10.0 billion Down ¥5.1 billion YoY (Forecast deferred)

■ High-Grade Metal Products and Materials

Net sales ¥190.0 billion (72% of FY08)
 Operating income ¥3.6 billion (Δ¥2.1 billion YoY)

■ Electronics and IT Devices

Net sales ¥110.0 billion (80% of FY08)
 Operating income ¥7.5 billion (Δ¥1.8 billion YoY)

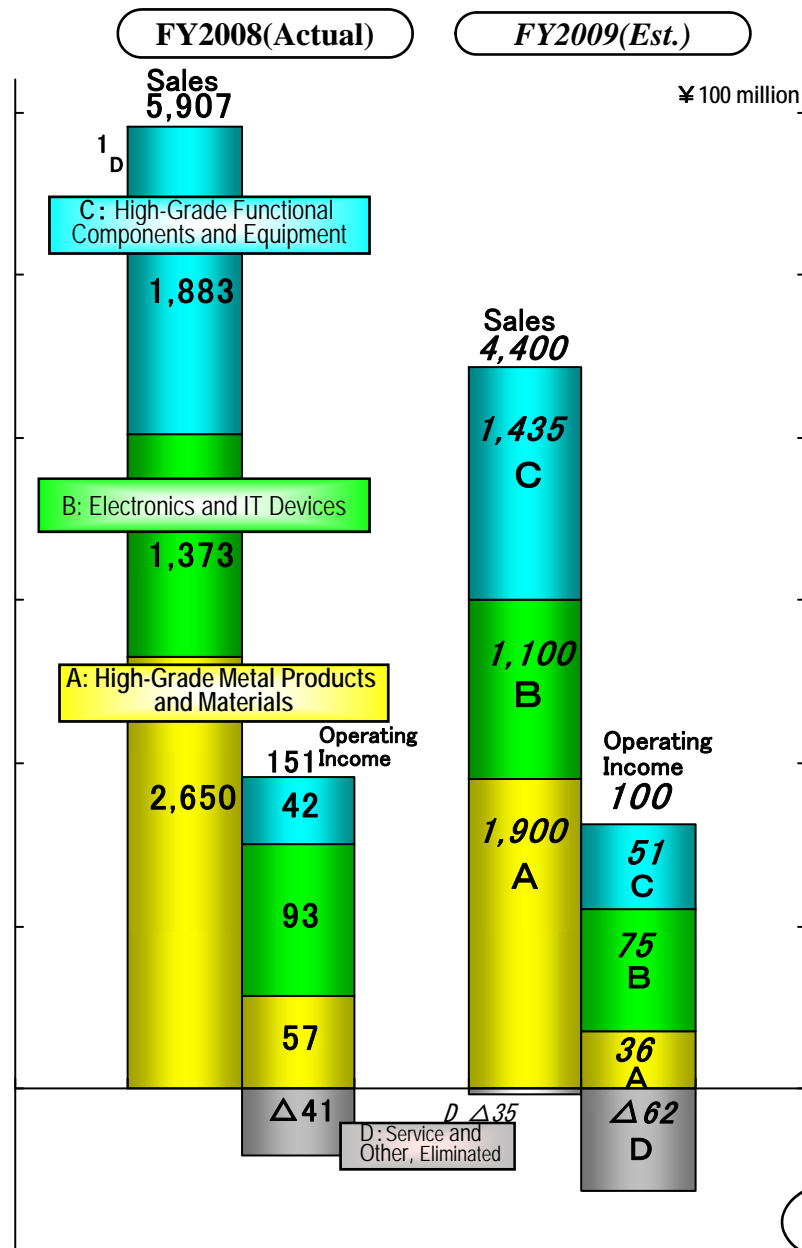
■ High-Grade Functional Components and Equipment

Net sales ¥143.5 billion (76% of FY08)
 Operating income ¥5.1 billion (+¥0.9 billion YoY)

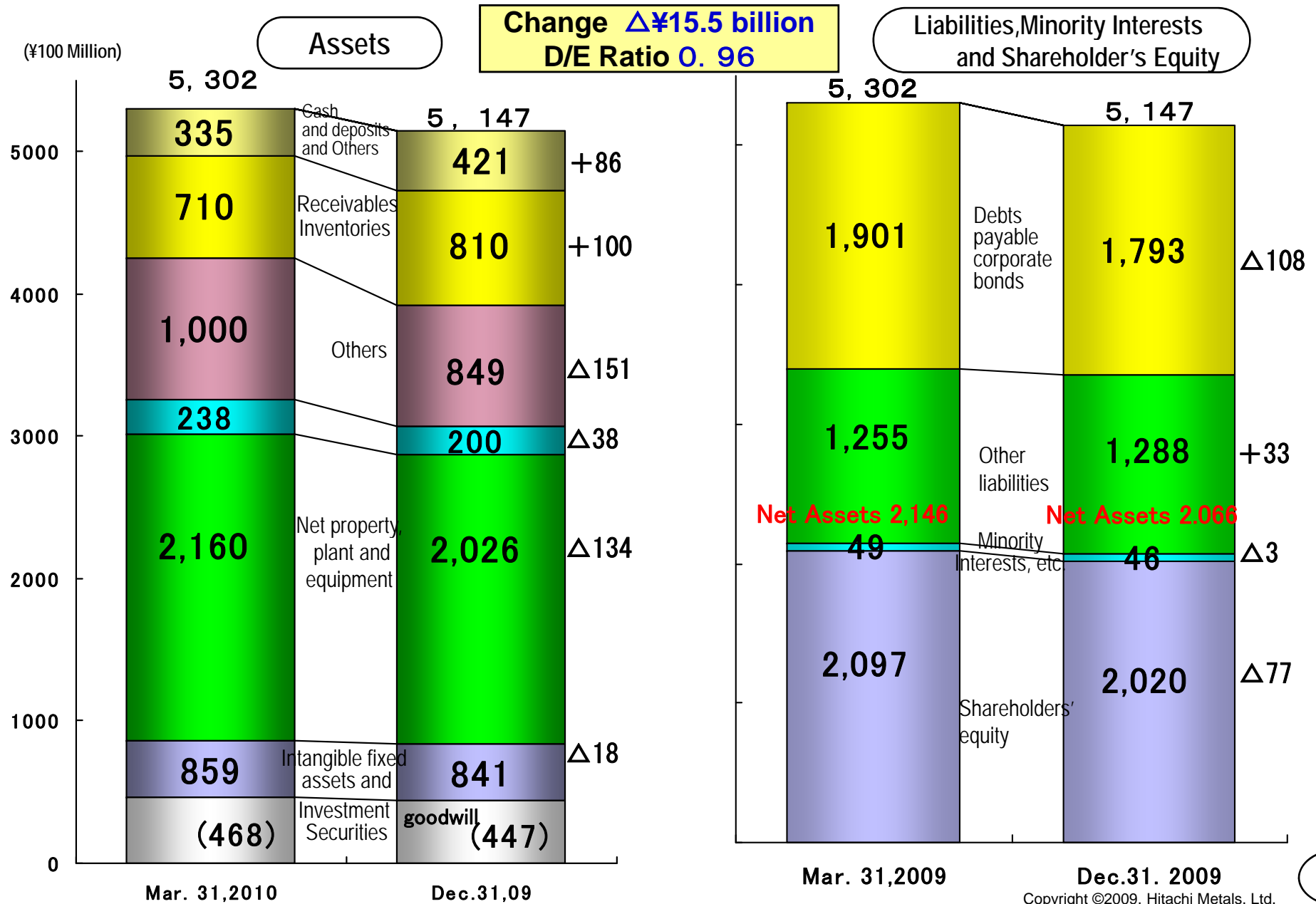
■ Services and other, Eliminated

Net sales Δ¥3.5 billion
 Operating income Δ¥6.2 billion

Both automobile and electronics-related markets are expected to remain steady, while Hitachi Metals sees inventory corrections for tool steels and certain other products completed toward the end of the fiscal year. In 4Q as well, current trends are for the most part expected to remain unchanged, although lagging capital investment-related demand will have an impact. Given this, presentation of the outlook for the fiscal year in both net sales and income has been deferred.



Consolidated Balance Sheet



Consolidated Cash Flows

(¥ 100 million)

Item	End of 12/2008	End of 12/2009
Cash and cash equivalents at beginning of period	478	335
Net income before tax adjustments	251	△26
Depreciation costs	234	227
Capital investment	△307	△118
Others	△179	168
Free cash flow	△1	251
Reducing borrowings	△2	△96
Dividend payments, others	△77	△64
Net cash flow	△80	91
Effect of exchange rate changes And others	△33	△5
Cash and cash equivalents at end of period	365	421

(Reference) Business Segments

High-Grade Metal Products and Materials

Specialty Steel Company

Roll Company

Hitachi Tool Engineering Group

Electronics and IT Devices

NEOMAX Company

Information Systems
Components Company

Soft Magnetic Materials Company

High-Grade Functional Components and Equipment

Automotive Components Company

Piping Components Company

Hitachi Metals Techno Group

Service and Others

Sales, Services Division

Other Manufacturing Company



This document contains forward-looking statements, such as results forecasts and management plans, which are not historical facts. All such forward-looking statements were based upon all available information and upon assumptions and projections that were deemed rational at the time the Company prepared this document. Changes to the underlying assumptions or circumstances could cause actual results to differ substantially. Factors for causing such differences include, but are not limited to, the following:

- **Changes in economic conditions and regulations in main markets where the Company operates, particularly Japan, the United States, Asia and Europe**
- **Sudden changes in technological trends**
- **Changes in competitive advantage and the capabilities of the Company and its subsidiaries and affiliates to develop and commercialize new products and businesses**
- **Fluctuation in status and conditions of product markets, exchange rates or international commodity markets**
- **Changes in financing environments**
- **Capability of the Company and its subsidiaries and affiliates to cope with fluctuations in product supply and demand, status and conditions of product markets, exchange rates or international commodity markets**
- **Protection of the Company's intellectual property, and securing of licenses to use intellectual property of other parties**
- **Changes in status of alliances with other parties for product development, etc.**
- **Fluctuation of Japanese stock markets**